

REMARKS

Claims 1-10 are pending in the above-identified application. Claims 1, 2, 6-8 and 10 were rejected. Claims 3-5 and 9 are objected to. With this Amendment, claims 1-5 and 9 were amended and claims 11-12 were added. Accordingly, claims 1-12 are at issue in the above-identified application.

Amendments to Specification

Various amendments have been made to the specification in order to clarify the description therein. No new matter has been added.

Objection To Claims

Claims 3-5 and 9 were objected to as being dependent upon a rejected base claim, but were found to be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Claims 3 and 9 have been rewritten in independent form to include all of the limitations of base claim 1, and any intervening claims. Claims 4-5 depend from claim 3. Thus, claims 3-5 and 9 are allowable.

In addition, claims 3 was a multiple dependent claim based on claims 1 and 2, and 9 was dependent upon a claim (i.e., claim 6) having dependencies on both claims 1 and 2. Thus, in addition to claims 3 and 9 being rewritten in independent form to incorporate base claim 1, new claims 11 and 12 have been added to incorporate base claim 2. Accordingly, claims 11 and 12 are allowable as well.

35 U.S.C. § 102 Anticipation Rejection of Claims

Claims 1 and 6/1 were rejected under 35 U.S.C. § 102(e) as being anticipated by *Lenssen et al.* (U.S. Publication No. 2002/0008988). Applicants respectfully traverse this rejection.

The Examiner states that *Lenssen* teaches that the memory element is disposed “so as to avoid an edge portion and a center portion of said magnetic shield layer.” (12/12/05 Non-Final Rejection, p. 2). In particular, the Examiner cites to page 3, par. 0045, lines 16-19, reference numeral 14 of *Lenssen* which states, “In the embodiment shown in FIG. 3, a shielding region 5 extends over four memory elements 3. The distance from the memory elements 3 to the shielding layer 14 is smaller than the dimensions of the region 9.” In other words, the distance in the z-direction (see numeral 8), between the memory element 3 to the shielding layer 14, is less than each of the dimensions labeled “9” in Figures 1-4 (i.e., the x-y dimensions). See, for example, claim 4 on page 4 of *Lenssen*, which states that “the memory elements (3) are situated at a distance (8) from the shielding layer (13) hich is smaller than the dimension (9) of the region (5).” (Emphasis added).

On the other hand, claim 1 of the present application has been amended to clarify that the memory element is disposed in a position inward from an edge portion of the magnetic shield layer toward a center portion of the magnetic shield layer, and outward from the center portion toward the edge portion. This positional requirement specifies where the memory element must be disposed within the plane of the memory element (i.e., in the x-y directions), rather than the distance between the memory element and the shield layer in the z-direction.

For the foregoing reasons, *Lenssen* cannot anticipate claims 1 or 6/1.

35 U.S.C. § 103 Obviousness Rejection of Claims

Claims 2, 6, 7 and 9 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Lenssen et al.*, in view of *Sharma et al.* (U.S. Patent No. 6,808,940). Claim 10 was rejected under 35 U.S.C. 103(a) as being unpatentable over *Lenssen et al.*, in view of the background of the invention.

For the same reasons discussed above with respect to claims 1 and 6/1, Applicants respectfully submit that claims 2, 6/2, 7, 9 and 10 are neither anticipated by, nor obvious in view of, the references cited by the Examiner. In particular, as explained above with respect to claims 1 and 6/1, claims 2, 6/2, 7, 9 and 10 also requires that the memory element be disposed in a position inward from an edge portion of the magnetic shield layer toward a center portion of the magnetic shield layer, and outward from the center portion toward the edge portion. Because this limitation is neither disclosed nor suggested by either *Lenssen* or *Sharma*, withdrawal of these rejections is respectfully requested.

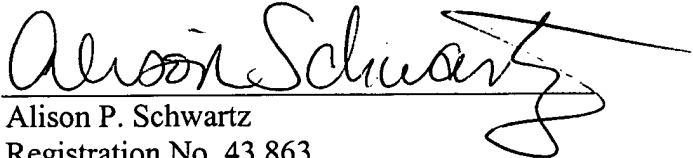
Conclusion

In view of the foregoing, Applicants submit that the application is in condition for allowance. Notice to that effect is requested.

Respectfully submitted,

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